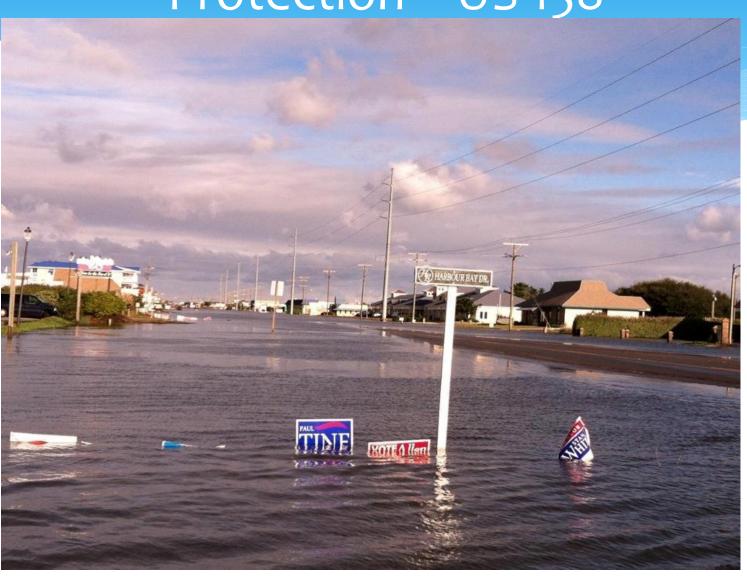
Kitty Hawk Beach Nourishment Proposed County Funding Plan

Overall Goals – Infrastructure Protection – Highway 12



Overall Goals – Infrastructure Protection – US 158



Overall Goals – Infrastructure Protection – US 158

- * Major Artery for all facets of Dare County economy
- * Major evacuation corridor
- * Major supply corridor post event
- * Major re-entry corridor for post storm recovery

Overall Goals – Infrastructure Protection – Between Highways



Overall Goals

- * Protect between highway properties and businesses from flooding during hurricanes, northeasters and other storm events
- * Provide continuity of beaches throughout the towns in the county to maintain tourism industry

County Goals In Funding Proposal

- * Achieve overall goals from previous slides
- * Leverage County dollars to provide as much sand on beaches as possible
- * Maintain funds sufficient to cover 1 year debt service on all projects (~\$8.8 mil)
- * Accumulate fund balance during life of projects to assist all towns in maintenance after 5 years (~\$22 mil)

County Goals

- * Towns must contribute some amount to the projects
- * Fair method of distribution of County funds
- * Must have funds available to assist in nourishment in Rodanthe and/or Buxton

Difficulties

* Timing

* Unequal project scope

* Unequal tax bases

Solutions - Timing

- * Added permitting & design costs to get all projects on same schedule
- * All projects on same schedule should result in 17% savings on total cost of all town projects
 - * Design, permitting, bid and construction
 - * Engineer's estimate

Solutions - Unequal Project Scope

- * Based all cost projections on 75 cubic yards per linear foot
 - * Same scope as Nags Head project
- * Allowed "apples to apples" comparison
- * Towns that want to do more can do so at their own cost

Solutions – Unequal Tax Bases

- * Ran multiple models in effort to achieve fair allocation of County funds
- * Low relative value of Kitty Hawk tax base vs. other towns made Kitty Hawk unaffordable if use pro rata distributions based upon length or cubic feet
- * Cost per tax parcel of Nags Head project averaged 7.82 cents of property tax
 - * More in Municipal Service District and less town-wide

Solutions - Models

- * Determined what County Beach Nourishment Fund could contribute
 - * Upfront cash
 - * Annual debt service
- * Initial consensus model = 7.82 cents per parcel to all towns

Solutions

- * Towns use Nags Head financing model
 - * Each issues Special Obligation Bonds
 - * Requires upfront cash in order to secure financing
- * County projects use Installment Financing
 - * Requires pledged property/collateral
 - * If pledge sufficient, no upfront cash required

Proposed Plan

- * Is a proposed plan
- * All boards have seen but plan has not been approved by any Board
- * May be tweaked if necessary to better accomplish goals
- * Need to finalize in October in order to meet constructions timelines
- * Is based on cost assumptions provided by engineers and interest cost assumption based on projected market conditions. Both can change.

Cost Estimates

Towns

* Individually \$50,854,000

* Combined \$42,670,000

County \$25,000,000

Town Cost Estimates

	Permitting (1)	Construction	Total
Duck	\$750,000	\$13,693,816	\$14,443,816
Kitty Hawk	\$870,000	\$15,645,159	\$16,515,159
Kill Devil Hills	\$550,000	\$10,412,691	\$10,962,691
Totals	\$2,170,000	\$39,751,666	\$41,921,666

^{(1) #&#}x27;s shown are less \$250,000 each, paid from FY 2014 County Beach Nourishment Fund budget

KH Total Cost Distribution

with interest @ 3.5%

* Town debt service contribution: \$3,938,650

* Total County BNF contribution:

* Upfront contribution \$10,300,000

* Debt service \$ 3,037,866

* Total \$13,337,866

* Total cost w/ debt service \$17,276,516

Kitty Hawk

Debt Service on \$6,215,159 @3.5%

	Debt Service	From County	From Town 7.82 cents
2016	\$108,765		\$108,765
2017	\$1,460,562	\$694,586	\$765,977
2018	\$1,417,056	\$651,079	\$765,977
2019	\$1,373,550	\$607,573	\$765,977
2020	\$1,330,044	\$564,067	\$765,977
2021	\$1,286,538	\$520,561	\$765,977
Totals	\$6,976,516	\$3,037,866	\$3,938,650

Conclusion

- * All towns in County with substantial oceanfront erosion problem will be nourished
- * Some or all funds (depending on future erosion rates) necessary to maintain the nourished beaches will be available
- * Goals outlined above will be met
- * Cost to the individual taxpayer in all towns with nourished beaches will be the same